

AN ORDINANCE

98476

AUTHORIZING STAFF TO PROCEED WITH THE EVALUATION OF THE FINANCIAL OPPORTUNITIES THAT THE CITY MAY REALIZE BY ENTERING INTO A LEASE-LEASE BACK, SECURITIZATION AND MONETIZATION OR OTHER SUCH TRANSACTIONS COMMONLY DESCRIBED BY INDUSTRY VERNACULAR; DIRECTING STAFF TO REPORT SUCH FINDINGS TO CITY COUNCIL; AND APPROVING THE SELECTION OF INVESTMENT BANKING FIRMS TO ASSIST IN SUCH EVALUATIONS AND POSSIBLE EXECUTION OF SUCH TRANSACTIONS SUBSEQUENT TO CITY COUNCIL APPROVAL.

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WHEREAS, the City of San Antonio ("City") released a Request for Proposals ("RFP") in contemplation of the selection of an Investment Banking firm(s) to assist with the evaluation and possible execution of financial opportunities that the City may realize by entering into a lease-lease back, securitization and monetization, or other such transactions commonly described by industry vernacular ("Asset Based Transactions"); and

WHEREAS, the City received 11 proposals to serve as Investment Banker, which were evaluated by a selection committee (the "Committee") comprised of representatives from the City Manager's Office, the departments of Finance, Aviation, Economic Development, and Asset Management, and the City's co-financial advisors, using the criteria specified in the RFP; and

WHEREAS, after scoring the written proposals, the Committee invited 7 firms to make oral presentations; and

WHEREAS, based upon the proposals and oral presentations, the City desires to utilize Citigroup Global Markets to evaluate and possibly execute the securitization and monetization of certain City assets, and UBS Financial Services/Dexia Global to evaluate and possibly execute transactions involving the lease-lease back of certain City assets; and

WHEREAS, the evaluation will examine the potential of net funds the City may receive by effectuating a transaction benchmarked to industry standards, the probability of completing the transaction, the control and flexibility that the City will retain after completing a transaction, and mitigation of risk; and

WHEREAS, if undertaking such transactions is found to be beneficial to the City, the selected senior Investment Banking firm(s) would proceed with executing the transaction(s) subsequent to City Council approval; and

WHEREAS, the selected senior Investment Banking firm(s) would remain available to execute any Asset Based Transactions approved by City Council as opportunities arise through September 30, 2006, with the exception of works currently in progress under Investment Banker(s) that are already engaged; **NOW THEREFORE:**

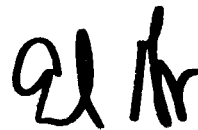
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager, or her designee, is hereby authorized to utilize the services of Citigroup Global Markets to evaluate and possibly execute the securitization and monetization of certain City assets, and UBS Financial Services/Dexia Global to evaluate and possibly execute transactions involving the lease-lease back of certain City assets ("Senior Investment Banking Firms"). If undertaking such transaction(s) is found to be beneficial to the City, the selected Senior Investment Banking firm(s) will proceed with executing the transaction(s) subsequent to City Council approval. The selected Senior Investment Banking firm(s) would remain available to execute any such Asset Based Transactions approved by City Council as opportunities arise through September 30, 2006, with the exception of works currently in progress under Investment Banker(s) that are already engaged

SECTION 2. No funds will be expended by this ordinance. Subsequent to the evaluation and potential decision to proceed with the execution of a transaction, any expenses incurred will be paid out of proceeds derived from the completion of the transaction.

SECTION 3. This ordinance shall take effect ten days from the date of passage hereof.

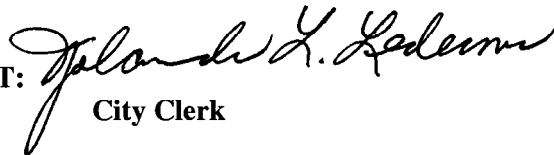
PASSED AND APPROVED this 13th day of November, 2003.



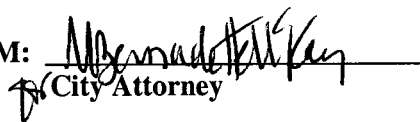
M A Y O R

EDWARD D. GARZA

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney